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Senate Commerce and Labor Committee takes testimony on Manufacturing and Tool & Die Recovery Package

Lansing – A package of bills aimed at helping the manufacturing and tool & die industries recover was the subject of testimony today in the Senate Committee on Commerce and Labor, Sen. Jason Allen (R-Traverse City) announced.

“Most of Michigan’s economy is based on the manufacturing and tool & die industries,” Allen said. “We need to be proactive to help these industries recover. This package will create more job opportunities in our state and help make sure we don’t lose anymore.”

As chair of the Commerce and Labor Committee, Allen and his Senate colleagues held six weeks of hearings on issues facing the tool & die industry before introducing the bills recently. Through the hearings the committee learned of the many struggles companies face just to keep their doors open.

Being home to the Big 3 Automakers, Michigan has naturally been a place for manufacturing and tool & die businesses to set up shop. Due to competition from foreign countries such as China, where the industry is subsidized by the government, manufacturing industries have been at a substantial disadvantage.

To keep Michigan’s competitive edge in the manufacturing business, Allen has led the Senate in introducing the Manufacturing and Tool & Die Recovery Package.

The eight-bill package will:

- Establish Tool & Die Recovery Zones to provide tax relief similar to the successful Renaissance Zone program, allowing a tax reduction to help keep in the industry competitive while providing incentives for businesses to collaborate for efficiency.

(More)

- Create a new exemption in the Personal Property Tax Act, allowing the equipment required by tool & die manufacturers to be exempt from the personal property tax. This will allow for increased competitiveness and additional job opportunities.
- Increase the apprentice training credit in the Single Business Tax (SBT). A better trained workforce will entice employers to locate in Michigan, leading to more job opportunities.
- Alter the state tax code by providing depreciation tables that mirror federal tables for the tool & die industry.
- Change the Use Tax Act to remove penalties on fabricated steel such as that used for girders in buildings. By removing this tax, Michigan's fabricators become more competitive with other states, leading to additional job opportunities.
- Establish a credit in the SBT for businesses or corporations for paying up front for services from tool & die cooperatives.
- Amend the Michigan Broadband Development Authority Act by offering grants to qualified tool & die businesses. Capitalizing on technological advances will help businesses compete in the global market and create more job opportunities.
- Allow skilled trades to present information at college and career nights at high schools. Being able to attract a young, well-educated workforce interested in manufacturing careers will appeal to companies looking to relocate to Michigan.

The package also contains three resolutions to Congress encouraging them to develop economic incentives and other programs to aid in the recovery and stabilization of the manufacturing industry.

Senate Resolutions 189 and 190 were unanimously voted out of the Senate Committee on Commerce and Labor today, while testimony on SR 188 will be heard next week.

"We will continue to work with our federal counterparts to ensure that the tool & die industries in Michigan and throughout the United States stay strong," Allen said.

Michigan accounts for nearly one-quarter of all jobs lost in the nation recently.

Testimony on the tool & die package is scheduled to continue Wednesday, Nov. 12 at 4 p.m. in room 100 of the Farnum Building.

"This is an important step in the crafting of this legislation," Allen said. "We are working to ensure we have the best bills possible to capitalize on job opportunities while not unduly affecting the budget."

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